RPM3

Reed Process Management Maturity Model

Improving Project Performance

With A Results-Oriented Focus

March 2015

REED INTEGRATION, INC.

Reed Integration, Inc.

our mission is your success

7007 Harbour View Blvd, Suite 117 | Suffolk, VA 23435 | www.reedintegration.com

Phone: 757-541-8032 | Fax: 757-638-3239 | Toll Free: 877-832-6118

THE BUSINESS CASE FOR IMPROVEMENT

In an era of increasing fiscal constraints and limited resources it is more critical than ever to "do more with less". Improving project performance and efficiency requires the ability to answer complex questions: What value are your Acquisition, Systems Engineering (SE) and Project Management (PM) efforts having on project and organizational performance? Are your projects late, over budget or failing to meet project objectives? If so, why? What investments in business processes, people, and technology provide the highest return on investment?

REED'S PROVEN SOLUTION

Reed has developed a unique approach to process assessments and improvement by linking our subject matter experts with your organizational stakeholders and sponsors that we call the **Reed Process Management Maturity Model**, or **RPM3™**. Our methodology to identifying process system gaps and developing gap closure plans is built on well-established industry standards from the National Institute of Standards and Technology (NIST) and the Malcolm Baldrige criteria. It is structured to promote buy-in, team building and engagement of all project stakeholders from senior leaders to subject matter experts. The goal is to ensure a credible, repeatable and scalable process methodology is in place that consistently leads to process success.

Reed's Process Improvement experts perform independent maturity assessments of your organizational processes to identify current areas of strength and opportunities for improvement. Our unique three-phased approach is based on:

1. Performing an Organizational Assessment
2. Conducting a Gap Analysis against Industry Best Practices, and
3. Developing a Tailored Improvement Plan.

Reed is currently utilizing this approach for a USCG customer with extremely well received results. A case study is being developed and will be available once implementation is complete and sufficient improvement metrics have been captured.

CONDUCT AN ORGANIZATIONAL ASSESSMENT

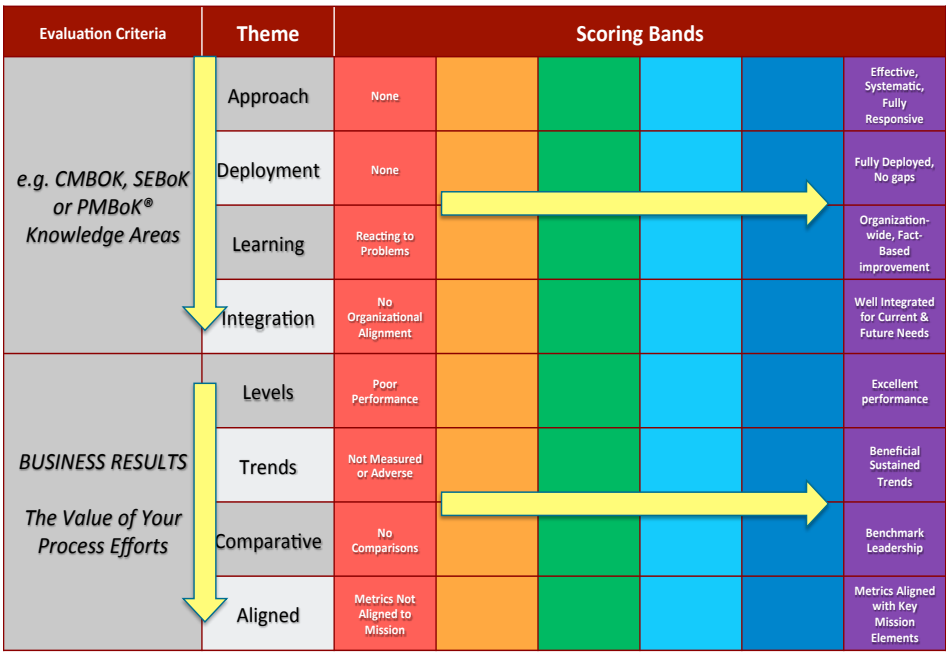
Our overarching approach is to assess existing process capabilities against industry best practices from several internationally recognized project and organizational maturity assessment methods, e.g. - the Project Management Institute (PMI) Project Management Body of Knowledge for project management excellence (PMBOK® Guide), the International Council on Systems Engineering (INCOSE) Systems Engineering Handbook (SEBoK), the National Contract Management Association's Contract Management Body of Knowledge (CMBOK), the NIST "Criteria for Performance Excellence" (Baldrige criteria), and the Capability Maturity Model Integration (CMMI). This assessment identifies process gaps and provides recommendations to close the gaps (improvement roadmap) by implementing necessary tools, templates, policies, processes and training.

Through a team-based approach, Reed Process Improvement Experts work with your organization's SMEs to compare organizational policy, methods, and performance against industry best practices as well as leadership goals. Throughout the effort, participants work together to identify process strengths and weaknesses and develop benchmark scores to provide a credible picture of their organization's process maturity.

Reed's unique approach to process assessment and improvement is structured to promote team building and engagement of all project stakeholders; from senior leaders to subject matter experts. The goal is to ensure a credible, repeatable, and scalable process methodology that consistently leads to project success.

Assess Process Value with a Results-Oriented Approach

The RPM3TM approach marries industry standards (PMI, NIST, INCOSE, NCMA, etc.) with critical business results based on your organization's priorities to determine the value provided by your project management efforts. Unlike many maturity assessment methods, our processes hinges on linking your specific processes to business results and key leadership objectives. This approach moves away from "an audit" based assessment to a more holistic analysis to ensure that process efforts and practices contribute to business success and are not simply performed to "check the box".



Reed's RPM3™ Assessment Scorecard – ***Provides a visual representation of process maturity.***

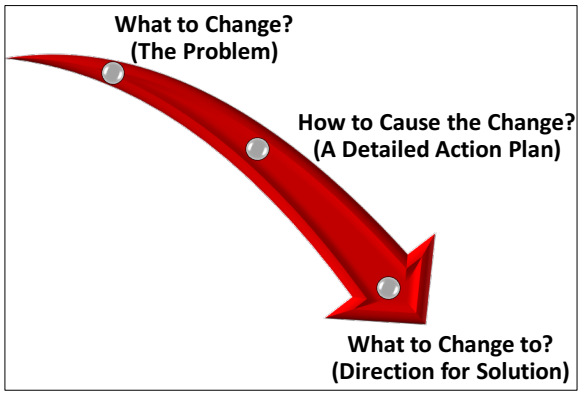
By comparing current policies and behavior against process standards such as the PMBOK® Guide Knowledge Areas (Integration, Scope, Time, Cost, Quality, Human Resources, Communications, Risk, Procurement, and Stakeholder Management) we can determine how well the organization aligns to industry best practices. This comparative analysis helps determine how well a process is addressed, deployed, developed, and integrated across the organization.

The Results category of the Maturity Assessment asks about the organization's performance in key areas of project management in the areas five areas listed below. The results category requires the measurement and analysis of performance levels and trends. It also asks about performance levels relative to those of competitors and other organizations with similar project management operations. We will again use PMI's PMBOK® as an example, but can use our approach with different industry standards such as the INCOSE SEBOK and NCMA CMBOK.

- **Processes** - This section evaluates key results against industry standards such as PMI's five project management processes of 1. Initiating, 2. Planning, 3. Executing, 4. Monitoring / Controlling and 5. Closing.
- **Customer** - This section evaluates key project management customer-focused results, including those for customer satisfaction and engagement.
- **People** - This section evaluates key project management workforce-focused results, including results for workforce ***environment*** and for workforce ***engagement***. This section focuses on approaches designed to promote workforce capacity and capability.
- **Leadership** - This section evaluates key senior leadership results for project management, including those related to ethical behavior, responsibility to the project management profession, responsibility to the customer and public, and compliance with laws and regulations.
- **Project Outcomes** - This section evaluates the levels and trends for key outcomes of a project management system. Specifically, project outcomes include levels and trends in the project performance areas of Schedule Results, Cost Results, and Work Content and Quality Results

DEVELOP AN IMPROVEMENT PLAN

Building on the Assessment findings, Reed Process Improvement experts work with key stakeholders to determine the root cause of Assessment findings through a series of critical thinking workshops using root-cause analyses based on cause-and-effect logic. Through an interactive and iterative process, our experts work to establish:

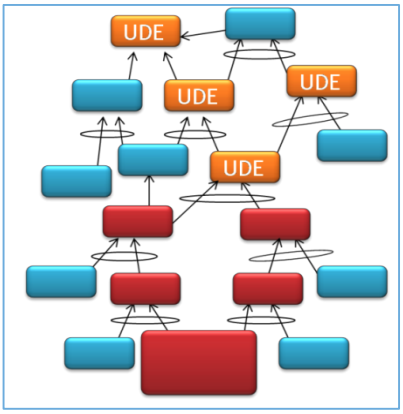


- Current Reality
- Future Desired Reality
- Gaps to Reality
- Core Conflicts and Interdependencies

The Improvement Plan includes near, mid, and long term goals, the required resources and recommended policy changes to achieve them, and answers the questions of "What to Change?", "What to Change To?", and "How to Cause the Change?".

Define the Current Reality

A relationship diagram of the current "undesirable effects" (UDE's) or ***gaps*** in the project management system discovered during the assessment. The process explore the possibility that there may be a "root-cause" at work in the current project management system that is promoting the undesirable current state. The current reality tree will also show the "cause and effect" relationships between the undesirable conditions, and how they inevitably lead to the problem statements associated with current project performance, throughput velocity and capability. For example, *"Neither our customers nor our senior leaders believe anything we tell them about the health of our current projects."*

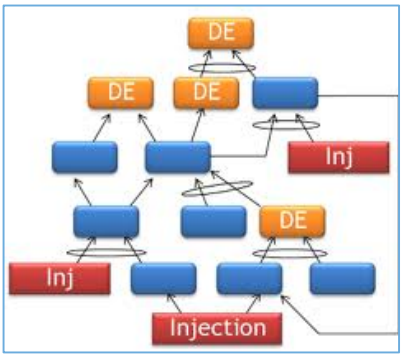


In the Current Reality Tree UDE's are linked in a logical "Cause and effect" relationship

Define the Desired Future Reality

A relationship diagram of the "desirable effects" and innovations (injections) required to achieve the ambitious goals for a radically improved project management system (e.g. "Project performance is exceptional. Customers and Sr. leaders have complete faith in what we tell them about the cost and schedule health of our projects.").

The future reality tree also shows the necessary and sufficient dependencies between each of the desirable effects and innovations. This enables development of an action plan with properly sequenced tasks. The future reality tree also provides a means for identifying obstacles to implementation in advance, so solutions to those obstacles can be designed into the action plan.



The Future Reality Tree links Desirable Effects (DE's) and innovations (injections) in a logical "Cause and effect" relationship

Develop a Network Diagram and Action Plan

Finally a detailed network diagram forms the basis of a detailed action plan for improving the client's project management system. This diagram shows the individual tasks, their necessary and sufficient interdependencies, the resource requirements, and task durations required to accomplish the short-term, mid-term and long-term project goals.

Improvement project tasks are linked based on necessary "cause and effect" dependencies, and enhanced with estimates of task durations and resource requirements.

CONCLUSION

With an experienced corporate staff and proven past performance, Reed is able to provide solutions to meet the needs of our customers across the Civilian Government, Department of Defense, and private industry markets. Reed has implemented effective policies, reviews, audits, and processes to ensure all project requirements and performance standards are met. Our personnel utilize efficient quality and management practices to ensure consistent service excellence. Our continual focus is to satisfy customer requirements and we accomplish this through aggressive monitoring of all aspects of contract operations.